

AUG 3 2001

STATE OF ARIZONA
DEPARTMENT OF INSURANCEDEPT. OF INSURANCE
BY

In the Matter of)

Docket No. 01A-159-INS

AMWEST SURETY INSURANCE COMPANY)
(NAIC No. 34983))

CONSENT ORDER

Respondent.)
_____)

An Order Summarily Suspending License and Notice of Hearing was issued by the Director of the Arizona Department of Insurance (the "Department") on June 27, 2001 concerning the suspension of the certificate of authority held by Amwest Surety Insurance Company ("Respondent") to transact surety insurance business in Arizona. Respondent received a copy of this Notice. Respondent has been advised of its right to a hearing in this matter, which it waives. Respondent admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent Amwest Surety Insurance Company ("Respondent") is domiciled in Nebraska and presently holds a certificate of authority issued by the Arizona Department of Insurance ("Department") to transact surety insurance.

2. On June 7, 2001, the District Court of Lancaster County, Nebraska, in *State of Nebraska ex rel. Tim Wagner, Director of Insurance of the State of Nebraska v. Amwest Surety Insurance Company*, CI 01-2101, issued an Order of Liquidation, Declaration of Insolvency and Injunction. The Order appoints Director Wagner as the Liquidator of Respondent.

3. The Nebraska Court, in issuing its Order, found that Respondent, based on its quarterly financial statement as of March 31, 2001, which states that Respondent's liabilities exceed its assets by approximately \$1.5 million, is insolvent. The Nebraska Court further found that the immediate appointment of a liquidator was necessary to protect the creditors, claimants and policyholders of

Respondent.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2.. Respondent no longer meets the requirements for the authority originally granted within the meaning of A.R.S. §20-219(2).

3. Respondent is in unsound financial condition or in such a condition as to render the further transaction of insurance in this state hazardous to its policyholders or to the people of this State, within the meaning of A.R.S. § 20-220(A)(3).

4. Grounds exist for the Director to suspend or revoke Respondent's certificate of authority pursuant to A.R.S. §20-220(A).

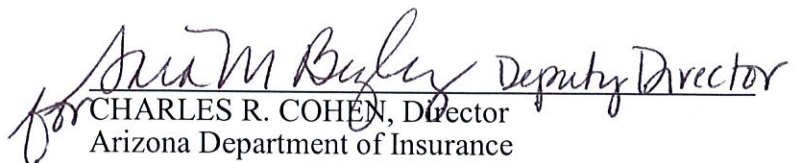
ORDER

IT IS ORDERED:

1. Suspending the certificate of authority held by Respondent Amwest Surety Insurance Company to transact insurance business in Arizona.

2. The hearing in this matter, currently set for August 7, 2001, shall be vacated.

DATED AND EFFECTIVE this 2nd day of August, 2001.


for CHARLES R. COHEN, Director
Arizona Department of Insurance

CONSENT TO ORDER

1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.

3. Respondent is aware of its right to notice and a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent irrevocably waives its right to such notice and hearing and to any court appeals relating to this Consent Order.

4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to it to induce it to enter into this Consent Order and that it has entered in this Consent Order voluntarily.

5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against it and does not preclude any other agency, officer or subdivision of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

Date

7/30/01

Amwest Surety Insurance Company

By



Its

Special Deputy Liquidator

1 COPY of the foregoing mailed/hand-delivered
2 this 3rd day of August, 2001, to:

3 L. Tim Wagner, Director of Insurance
4 Liquidator of Amwest Surety Insurance Company
5 Nebraska Department of Insurance
6 Terminal Building
7 941 "O" Street, Suite 400
8 Lincoln, Nebraska 68508-3639

9 Mike FitzGibbons
10 Special Deputy Liquidator
11 5230 Las Virgenes Road
12 Calabasas, California 91302

13 Jack King, Executive Director
14 Arizona Property and Casualty Guaranty Fund
15 3443 North Central, Suite 1000
16 Phoenix, AZ 85012

17 Lewis D. Kowal, Administrative Law Judge
18 Office of Administrative Hearings
19 1400 West Washington Street, Suite 101
20 Phoenix, AZ 85007

21 Sara Begley, Deputy Director
22 Catherine O'Neil, Assistant Director
23 Steve Ferguson, Assistant Director
24 Deloris Williamson, Assistant Director
25 Scott Greenberg, Business Administrator
26 Paul Hogan, Market Conduct Chief Examiner
Arizona Department of Insurance
2910 N. 44th Street, Suite 210
Phoenix, Arizona 85018

Shelby L. Cuevas, Assistant Attorney General
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1275 West Washington
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23 Curvey Walters Burton

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